

AMENDED IN SENATE JUNE 25, 2013

AMENDED IN ASSEMBLY MARCH 19, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 529**

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**Introduced by Assembly Member Lowenthal**

February 20, 2013

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An act to amend, repeal, and add Sections 7235 and 7236 of the Revenue and Taxation Code, and to amend Section 34622 of, to repeal Section 34606 of, and to amend, repeal, and add Sections 34501.12, 34505.5, 34505.6, 34515, 34601, 34623, and 40000.22 of, the Vehicle Code, relating to vehicles.

### LEGISLATIVE COUNSEL'S DIGEST

AB 529, as amended, Lowenthal. Vehicles: motor carriers: inspections and fees.

Existing law establishes the Biennial Inspection of Terminals Program (BIT) to ensure the safe operation of certain vehicles by a motor carrier through the inspection of these vehicles at the motor carrier's terminal by the Department of the California Highway Patrol. Existing law defines a motor carrier, for this purpose, as the registered owner of, and in some cases the lessee or person exclusively authorizing and directing the operation of, specified vehicles. Existing law requires, within 30 days of establishing a terminal, a motor carrier to schedule an inspection by submitting to the department an application for a terminal inspection accompanied by the payment of a fee the amount of which is based on the number of vehicles in a terminal or the "terminal fleet size." Existing law requires the department to inspect every terminal at least once every 25 months and defines a terminal as the location or locations designated

by the motor carrier where subject vehicles and specific records are available for inspection.

This bill would, *commencing January 1, 2016*, revise and recast these provisions as the Basic Inspection of Terminals (BIT) ~~program~~ *Program*. ~~The bill would define motor carrier for this purpose as the registered owner, lessee, licensee, or bailee of specified vehicles.~~ The bill would, *commencing January 1, 2016*, authorize the department to conduct terminal inspections at any time. The bill would require the department, on or before January 1, 2016, to implement a performance-based truck terminal inspection priority system similar to that used by the Federal Motor Carrier Safety Administration that would require the department to place an inspection priority on motor carrier terminals never previously inspected by the department. ~~Nonpriority terminals would not be required to be inspected less than 6 years since their last inspection.~~ *The bill would require, commencing January 1, 2016, the department to create a database to include specified performance-based data and provide real-time information to the department regarding motor carrier performance, as specified. The bill would, commencing January 1, 2016, provide that the department is not required to inspect a terminal more than once every 6 years, if certain conditions apply, and provides that terminals that receive less than a satisfactory compliance rating would be subject to periodic inspections based on the severity of violations.*

Existing law provides that it is a misdemeanor for a motor carrier to operate a vehicle without having submitted an inspection application and the required fees to the department, as specified.

This bill would revise those provisions to, *commencing January 1, 2016*, make it a misdemeanor for a motor carrier to operate any of specified types of vehicles without identifying to the department all terminals in this state where vehicles may be inspected by the department and where vehicle inspection and maintenance records and driver records will be made available for inspection. The bill would, *commencing January 1, 2016*, require the lessor of certain vehicles to make vehicles available for inspection upon request of an authorized representative of the department in the course of inspecting the terminal of the lessee. The bill would make a violation of these provisions a misdemeanor. The bill would, *commencing January 1, 2016*, make it a misdemeanor for a motor carrier to operate or cause to be operated any of specified vehicles unless the motor carrier is knowledgeable of, and in compliance with, all applicable statutes and regulations.

By expanding the provisions of existing law, the violation of which is an offense, this bill would impose a state-mandated local program.

The bill would, *commencing January, 2016*, require a motor carrier to make vehicles and records available for inspection upon request by the department and to pay a carrier inspection fee, the amount to be based on the size of the motor carrier's fleet. The bill would, *commencing January 1, 2016*, impose ~~a penalty~~ *delinquency fees* for failure to pay the fee *on time*. The bill would make other technical and conforming changes to the BIT ~~program~~ *Program*.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 7235 of the Revenue and Taxation Code  
2 is amended to read:  
3 7235. (a) The Safety Fee imposed by this chapter shall be paid  
4 by all motor carriers of property, as defined in Section 34601 of  
5 the Vehicle Code.  
6 (b) This section shall remain in effect only until January 1, 2016,  
7 and as of that date is repealed, unless a later enacted statute, that  
8 is enacted before January 1, 2016, deletes or extends that date.  
9 SEC. 2. Section 7235 is added to the Revenue and Taxation  
10 Code, to read:  
11 7235. (a) The Safety Fee and Carrier Inspection Fee imposed  
12 by this chapter shall be paid by all motor carriers of property, as  
13 defined in Section 34601 of the Vehicle Code.  
14 (b) This section shall become operative on January 1, 2016.  
15 SEC. 3. Section 7236 of the Revenue and Taxation Code is  
16 amended to read:  
17 7236. (a) Uniform business license tax fee payments collected  
18 by the Department of Motor Vehicles pursuant to Section 7232  
19 shall be deposited in the State Treasury to the credit of the General  
20 Fund. All other funds collected by the Department of Motor  
21 Vehicles pursuant to Section 7232 shall be deposited in the State

Treasury to the credit of the Motor Vehicle Account in the State Transportation Fund. The following fees shall be paid to the department:

(1) For-hire motor carriers of property shall pay, according to the following schedule, fees indicated as the safety fee and uniform business license tax fee, based on the size of their motor vehicle fleet.

(2) Private carriers of property with a fleet size of 10 or less motor vehicles shall pay a fee of thirty-five dollars (\$35). Private carriers of property with a fleet size of 11 or more motor vehicles shall pay, according to the following schedule, fees indicated as the safety fee, based on the size of their motor vehicle fleet. Any carrier that does not pay a uniform business license tax fee shall not operate as a for-hire motor carrier.

(3) A seasonal permit may be issued to a motor carrier of property upon payment of fees indicated as the safety fee and one-twelfth of the fee indicated as the uniform business license tax fee, rounded to the next dollar, for each month the permit is valid. The original seasonal permit shall be valid for a period of not less than six months, and may be renewed upon payment of a five-dollar (\$5) fee, and one-twelfth of the fee indicated as a uniform business license tax fee for each additional month of operation.

Fleet Size—Commercial		Uniform
Motor Vehicles Fee	Safety Fee	Business License Tax
1	\$60	\$60
2-4	\$75	\$125
5-10	\$200	\$275
11-20	\$240	\$470
21-35	\$325	\$650
36-50	\$430	\$880
51-100	\$535	\$1,075
101-200	\$635	\$1,300
201-500	\$730	\$1,510
501-1,000	\$830	\$1,715
1,001-2,000	\$930	\$1,900
2,001-over	\$1,030	\$2,000

1 Notwithstanding the above fee schedule, motor carriers of  
2 property with 10 or fewer trucks shall not pay fees higher than  
3 they would have paid under the fee structure in place as of January  
4 1, 1996. Notwithstanding Section 34606 of the Vehicle Code, fees  
5 for these carriers shall not be subject to an increase by the  
6 Department of Motor Vehicles.

7 (b) Funds derived from safety fees shall remain in the Motor  
8 Vehicle Account in the State Transportation Fund and shall be  
9 available for appropriation by the Legislature to cover costs  
10 incurred by the Department of Motor Vehicles and the Department  
11 of the California Highway Patrol in regulating motor carriers of  
12 property pursuant to Division 14.85 (commencing with Section  
13 34600) of the Vehicle Code.

14 (c) It is the intent of the Legislature that the fee schedule  
15 established in subdivision (a) shall not discriminate against small  
16 fleet or individual vehicle operators or result in a disproportionate  
17 share of those fees being assigned to small fleet or individual  
18 vehicle operators.

19 (d) This section shall remain in effect only until January 1, 2016,  
20 and as of that date is repealed, unless a later enacted statute, that  
21 is enacted before January 1, 2016, deletes or extends that date.

22 SEC. 4. Section 7236 is added to the Revenue and Taxation  
23 Code, to read:

24 7236. (a) Uniform business license tax fee payments collected  
25 by the Department of Motor Vehicles pursuant to Section 7232  
26 shall be deposited in the State Treasury to the credit of the General  
27 Fund. All other funds collected by the Department of Motor  
28 Vehicles pursuant to Section 7232 shall be deposited in the State  
29 Treasury to the credit of the Motor Vehicle Account in the State  
30 Transportation Fund. The following fees shall be paid to the  
31 department:

32 (1) For-hire motor carriers of property shall pay, according to  
33 the schedule in subdivision (c), fees indicated as the safety fee,  
34 Carrier Inspection Fee, and uniform business license tax fee, based  
35 on the size of their motor vehicle fleet.

36 (2) (A) Private carriers of property with a fleet size of 10 or less  
37 motor vehicles shall pay a safety fee of thirty-five dollars (\$35).  
38 Private carriers of property with a fleet size of 11 or more motor  
39 vehicles shall pay, according to the schedule in subdivision (c),  
40 fees indicated as the safety fee, based on the size of their motor

1 vehicle fleet. Any carrier that does not pay a uniform business  
2 license tax fee shall not operate as a for-hire motor carrier.

3 (B) Private carriers of property shall pay, according to the  
4 schedule of fees in subdivision (c), fees indicated as the carrier  
5 inspection fee based on the size of the motor vehicle fleet.

6 (b) "Fleet size" as used in this section, does not include vehicles  
7 described in subdivision (e) of Section 34500.

8 (c) (1) A seasonal permit may be issued to a motor carrier of  
9 property upon payment of fees indicated as the safety fee and  
10 one-twelfth of the fee indicated as the uniform business license  
11 tax fee, rounded to the next dollar, for each month the permit is  
12 valid. The original seasonal permit shall be valid for a period of  
13 not less than six months, and may be renewed upon payment of a  
14 five-dollar (\$5) fee, and one-twelfth of the fee indicated as a  
15 uniform business license tax fee for each additional month of  
16 operation.

18 Fleet Size		Uniform	Carrier
19 Commercial	Safety	Business	Inspection
20 Vehicles Fee	Fee	License Tax	Fee
21 1	\$60	\$60	\$130
22 2-4	\$75	\$125	\$152
23 5-10	\$200	\$275	\$252
24 11-20	\$240	\$470	\$573
25 21-35	\$325	\$650	\$743
26 36-50	\$430	\$880	\$961
27 51-100	\$535	\$1,075	\$1,112
28 101-200	\$635	\$1,300	\$1,463
29 201-500	\$730	\$1,510	\$1,512
30 501-1,000	\$830	\$1,715	\$1,600
31 1,001-2,000	\$930	\$1,900	\$1,800
32 2,001-over	\$1,030	\$2,000	\$2,114

34 (2) Notwithstanding the fee schedule in paragraph (1), except  
35 for the carrier inspection fee, motor carriers of property with 10  
36 or fewer trucks shall not pay fees higher than they would have  
37 paid under the fee schedule applicable as of January 1, 1996.

38 (d) Failure to pay fees required by this section, within the  
39 appropriate timeframe, shall result in additional delinquent fees  
40 as follows:

1 (1) For a delinquency period of more than 30 days *and less than*  
2 *one year*, the penalty is 60 percent of the required fee.

3 (2) For a delinquency period of one to two years, the penalty is  
4 80 percent of the required fee.

5 (3) For a delinquency period of more than two years, the penalty  
6 is 160 percent of the required fee.

7 (e) Funds derived from safety fees, *including delinquency fees*,  
8 shall remain in the Motor Vehicle Account in the State  
9 Transportation Fund and shall be available for appropriation by  
10 the Legislature to cover costs incurred by the Department of Motor  
11 Vehicles and the Department of the California Highway Patrol in  
12 regulating and inspecting motor carriers of property pursuant to  
13 Division 14.8 (commencing with Section 34500) and Division  
14 14.85 (commencing with Section 34600) of the Vehicle Code.

15 (f) All Carrier Inspection Fees, *including delinquency fees*,  
16 collected pursuant to this section shall be deposited in the Motor  
17 Vehicle Account in the State Transportation Fund. An amount  
18 equal to the Carrier Inspection Fees collected shall be made  
19 available for appropriation by the Legislature from the Motor  
20 Vehicle Account to the department for the purpose of conducting  
21 truck terminal inspections and roadside safety inspections required  
22 by Section 34514 of the Vehicle Code.

23 (g) It is the intent of the Legislature that the fee schedule  
24 established in subdivision (c) shall not discriminate against small  
25 fleet or individual vehicle operators or result in a disproportionate  
26 share of those fees being assigned to small fleet or individual  
27 vehicle operators.

28 (h) This section shall become operative on January 1, 2016.

29 SEC. 5. Section 34501.12 of the Vehicle Code is amended to  
30 read:

31 34501.12. (a) Notwithstanding Section 408, as used in this  
32 section and Sections 34505.5 and 34505.6, “motor carrier” means  
33 the registered owner of a vehicle described in subdivision (a), (b),  
34 (e), (f), or (g) of Section 34500, except in the following  
35 circumstances:

36 (1) The registered owner leases the vehicle to another person  
37 for a term of more than four months. If the lease is for more than  
38 four months, the lessee is the motor carrier.

39 (2) The registered owner operates the vehicle exclusively under  
40 the authority and direction of another person. If the operation is

1 exclusively under the authority and direction of another person,  
2 that other person may assume the responsibilities as the motor  
3 carrier. If not so assumed, the registered owner is the motor carrier.  
4 A person who assumes the motor carrier responsibilities of another  
5 pursuant to subdivision (b) shall provide to that other person whose  
6 motor carrier responsibility is so assumed, a completed copy of a  
7 departmental form documenting that assumption, stating the period  
8 for which responsibility is assumed, and signed by an agent of the  
9 assuming person. A legible copy shall be carried in each vehicle  
10 or combination of vehicles operated on the highway during the  
11 period for which responsibility is assumed. That copy shall be  
12 presented upon request by an authorized employee of the  
13 department. The original completed departmental form  
14 documenting the assumption shall be provided to the department  
15 within 30 days of the assumption. If the assumption of  
16 responsibility is terminated, the person who had assumed  
17 responsibility shall so notify the department in writing within 30  
18 days of the termination.

19 (b) (1) A motor carrier may combine two or more terminals  
20 that are not subject to an unsatisfactory compliance rating within  
21 the last 36 months for purposes of the inspection required by  
22 subdivision (d), subject to all of the following conditions:

23 (A) The carrier identifies to the department, in writing, each  
24 terminal proposed to be included in the combination of terminals  
25 for purposes of this subdivision prior to an inspection of the  
26 designated terminal pursuant to subdivision (d).

27 (B) The carrier provides the department, prior to the inspection  
28 of the designated terminal pursuant to subdivision (d), a written  
29 listing of all its vehicles of a type subject to subdivision (a), (b),  
30 (e), (f), or (g) of Section 34500 that are based at each of the  
31 terminals combined for purposes of this subdivision. The listing  
32 shall specify the number of vehicles of each type at each terminal.

33 (C) The carrier provides to the department at the designated  
34 terminal during the inspection all maintenance records and driver  
35 records and a representative sample of vehicles based at each of  
36 the terminals included within the combination of terminals.

37 (2) If the carrier fails to provide the maintenance records, driver  
38 records, and representative sample of vehicles pursuant to  
39 subparagraph (C) of paragraph (1), the department shall assign the



1 carrier an unsatisfactory terminal rating and require a reinspection  
2 to be conducted pursuant to subdivision (h).

3 (3) For purposes of this subdivision, the following terms have  
4 the following meanings:

5 (A) "Driver records" includes pull notice system records, driver  
6 proficiency records, and driver timekeeping records.

7 (B) "Maintenance records" includes all required maintenance,  
8 lubrication, and repair records and drivers' daily vehicle condition  
9 reports.

10 (C) "Representative sample" means the following, applied  
11 separately to the carrier's fleet of motortrucks and truck tractors  
12 and its fleet of trailers:

	Representative
Fleet Size	Sample
1 or 2	All
3 to 8	3
9 to 15	4
16 to 25	6
26 to 50	9
51 to 90	14
91 or more	20

23  
24 (c) Each motor carrier who, in this state, directs the operation  
25 of, or maintains, a vehicle of a type described in subdivision (a)  
26 shall designate one or more terminals, as defined in Section 34515,  
27 in this state where vehicles can be inspected by the department  
28 pursuant to paragraph (4) of subdivision (a) of Section 34501 and  
29 where vehicle inspection and maintenance records and driver  
30 records will be made available for inspection.

31 (d) (1) The department shall inspect, at least every 25 months,  
32 every terminal, as defined in Section 34515, of a motor carrier  
33 who, at any time, operates a vehicle described in subdivision (a).

34 (2) The department shall place an inspection priority on those  
35 terminals operating vehicles listed in subdivision (g) of Section  
36 34500.

37 (3) As used in this section and in Sections 34505.5 and 34505.6,  
38 subdivision (f) of Section 34500 includes only those combinations  
39 where the gross vehicle weight rating ~~(GVWR)~~ of the towing  
40 vehicle exceeds 10,000 pounds, but does not include a pickup

truck, and subdivision (g) of Section 34500 includes only those vehicles transporting hazardous material for which the display of placards is required pursuant to Section 27903, a license is required pursuant to Section 32000.5, or for which hazardous waste transporter registration is required pursuant to Section 25163 of the Health and Safety Code. Historical vehicles, as described in Section 5004, vehicles that display special identification plates in accordance with Section 5011, implements of husbandry and farm vehicles, as defined in Chapter 1 (commencing with Section 36000) of Division 16, and vehicles owned or operated by an agency of the federal government are not subject to this section or to Sections 34505.5 and 34505.6.

(e) (1) It is the responsibility of the motor carrier to schedule with the department the inspection required by subdivision (d). The motor carrier shall submit an application form supplied by the department, accompanied by the required fee contained in paragraph (2), for each terminal the motor carrier operates. This fee shall be submitted within 30 days of establishing a terminal. All fees submitted under paragraph (2) are nonrefundable.

(2) (A) The fee for each terminal is set forth in the following table:

Terminal fleet size	Required fee per terminal
1	\$ 270
2	\$ 375
3 to 8	\$ 510
9 to 15	\$ 615
16 to 25	\$ 800
26 to 50	\$1,040
51 to 90	\$1,165
91 or more	\$1,870

(B) In addition to the fee specified in subparagraph (A), the motor carrier shall submit an additional fee of three hundred fifty dollars (\$350) for each of its terminals not previously inspected under the section.

(3) Except as provided in paragraph (5), the inspection term for each inspected terminal of a motor carrier shall expire 25 months from the date the terminal receives a satisfactory compliance rating, as specified in subdivision (h). Applications and fees for subsequent

1 inspections shall be submitted not earlier than nine months and  
2 not later than seven months before the expiration of the motor  
3 carrier's then current inspection term. If the motor carrier has  
4 submitted the inspection application and the required  
5 accompanying fees, but the department is unable to complete the  
6 inspection within the 25-month inspection period, then no  
7 additional fee shall be required for the inspection requested in the  
8 original application.

9 (4) All fees collected pursuant to this subdivision, *including*  
10 *delinquency fees*, shall be deposited in the Motor Vehicle Account  
11 in the State Transportation Fund. An amount equal to the fees  
12 collected shall be available for appropriation by the Legislature  
13 from the Motor Vehicle Account to the department for the purpose  
14 of conducting truck terminal inspections and for the additional  
15 roadside safety inspections required by Section 34514.

16 (5) To avoid the scheduling of a renewal terminal inspection  
17 pursuant to this section during a carrier's seasonal peak business  
18 periods, the current inspection term of a terminal that has paid all  
19 required fees and has been rated satisfactory in its last inspection  
20 may be reduced by not more than nine months if a written request  
21 is submitted by the carrier to the department at least four months  
22 prior to the desired inspection month, or at the time of payment of  
23 renewal inspection fees in compliance with paragraph (3),  
24 whichever date is earlier. A motor carrier may request this  
25 adjustment of the inspection term during any inspection cycle. A  
26 request made pursuant to this paragraph shall not result in a fee  
27 proration and does not relieve the carrier from the requirements  
28 of paragraph (3).

29 (6) Failure to pay a fee required by this section, within the  
30 appropriate timeframe, shall result in additional delinquent fees  
31 as follows:

32 (A) For a delinquency period of more than 30 days *and less*  
33 *than one year*, the penalty is 60 percent of the required fee.

34 (B) For a delinquency period of one to two years, the penalty  
35 is 80 percent of the required fee.

36 (C) For a delinquency period of more than two years, the penalty  
37 is 160 percent of the required fee.

38 (7) Federal, state, and local public entities are exempt from the  
39 fee requirement of this section.

(f) It is unlawful for a motor carrier to operate a vehicle subject to this section without having submitted an inspection application and the required fees to the department as required by subdivision (e) or (h).

(g) (1) It is unlawful for a motor carrier to operate a vehicle subject to this section after submitting an inspection application to the department, without the inspection described in subdivision (d) having been performed and a safety compliance report having been issued to the motor carrier within the 25-month inspection period or within 60 days immediately preceding the inspection period.

(2) It is unlawful for a motor carrier to contract or subcontract with, or otherwise engage the services of, another motor carrier, subject to this section, unless the contracted motor carrier has complied with this section. A motor carrier shall not contract or subcontract with, or otherwise engage the services of, another motor carrier until the contracted motor carrier provides certification of compliance with this section. This certification shall be completed in writing by the contracted motor carrier. The certification, or a copy thereof, shall be maintained by each involved party for the duration of the contract or the period of service plus two years, and shall be presented for inspection immediately upon the request of an authorized employee of the department.

(h) (1) An inspected terminal that receives an unsatisfactory compliance rating shall be reinspected within 120 days after the issuance of the unsatisfactory compliance rating.

(2) A terminal's first required reinspection under this subdivision shall be without charge unless one or more of the following is established:

(A) The motor carrier's operation presented an imminent danger to public safety.

(B) The motor carrier was not in compliance with the requirement to enroll all drivers in the pull notice program pursuant to Section 1808.1.

(C) The motor carrier failed to provide all required records and vehicles for a consolidated inspection pursuant to subdivision (b).

(3) If the unsatisfactory rating was assigned for any of the reasons set forth in paragraph (2), the carrier shall submit the required fee as provided in paragraph (4).

1 (4) Applications for reinspection pursuant to paragraph (3) or  
2 for second and subsequent consecutive reinspections under this  
3 subdivision shall be accompanied by the fee specified in paragraph  
4 (2) of subdivision (e) and shall be filed within 60 days of issuance  
5 of the unsatisfactory compliance rating. The reinspection fee is  
6 nonrefundable.

7 (5) When a motor carrier's Motor Carrier of Property Permit or  
8 Public Utilities Commission operating authority is suspended as  
9 a result of an unsatisfactory compliance rating, the department  
10 shall not conduct a reinspection for permit or authority  
11 reinstatement until requested to do so by the Department of Motor  
12 Vehicles or the Public Utilities Commission, as appropriate.

13 (i) It is the intent of the Legislature that the department make  
14 its best efforts to inspect terminals within the resources provided.  
15 In the interest of the state, the Commissioner of the California  
16 Highway Patrol may extend for a period, not to exceed six months,  
17 the inspection terms beginning prior to July 1, 1990.

18 (j) Except as provided in paragraph (5), to encourage motor  
19 carriers to attain continuous satisfactory compliance ratings, the  
20 department may establish and implement an incentive program  
21 consisting of the following:

22 (1) After the second consecutive satisfactory compliance rating  
23 assigned to a motor carrier terminal as a result of an inspection  
24 conducted pursuant to subdivision (d), and after each consecutive  
25 satisfactory compliance rating thereafter, an appropriate certificate,  
26 denoting the number of consecutive satisfactory ratings, shall be  
27 awarded to the terminal, unless the terminal has received an  
28 unsatisfactory compliance rating as a result of an inspection  
29 conducted in the interim between the consecutive inspections  
30 conducted under subdivision (d), or the motor carrier is rated  
31 unsatisfactory by the department following a controlled substances  
32 and alcohol testing program inspection. The certificate authorized  
33 under this paragraph shall not be awarded for performance in the  
34 administrative review authorized under paragraph (2). However,  
35 the certificate shall include a reference to any administrative  
36 reviews conducted during the period of consecutive satisfactory  
37 compliance ratings.

38 (2) Unless the department's evaluation of the motor carrier's  
39 safety record indicates a declining level of compliance, a terminal  
40 that has attained two consecutive satisfactory compliance ratings

1 assigned following inspections conducted pursuant to subdivision  
2 (d) is eligible for an administrative review in lieu of the next  
3 required inspection, unless the terminal has received an  
4 unsatisfactory compliance rating as a result of an inspection  
5 conducted in the interim between the consecutive inspections  
6 conducted under subdivision (d). An administrative review shall  
7 consist of all of the following:

8 (A) A signed request by a terminal management representative  
9 requesting the administrative review in lieu of the required  
10 inspection containing a promise to continue to maintain a  
11 satisfactory level of compliance for the next 25-month inspection  
12 term.

13 (B) A review with a terminal management representative of the  
14 carrier's record as contained in the department's files. If a terminal  
15 has been authorized a second consecutive administrative review,  
16 the review required under this subparagraph is optional, and may  
17 be omitted at the carrier's request.

18 (C) Absent any cogent reasons to the contrary, upon completion  
19 of the requirements of subparagraphs (A) and (B), the safety  
20 compliance rating assigned during the last required inspection shall  
21 be extended for 25 months.

22 (3) Not more than two administrative reviews may be conducted  
23 consecutively. At the completion of the 25-month inspection term  
24 following a second administrative review, a terminal inspection  
25 shall be conducted pursuant to subdivision (d). If this inspection  
26 results in a satisfactory compliance rating, the terminal shall again  
27 be eligible for an administrative review in lieu of the next required  
28 inspection. If the succession of satisfactory ratings is interrupted  
29 by a rating of other than satisfactory, irrespective of the reason for  
30 the inspection, the terminal shall again attain two consecutive  
31 satisfactory ratings to become eligible for an administrative review.

32 (4) As a condition for receiving the administrative reviews  
33 authorized under this subdivision in lieu of inspections, and in  
34 order to ensure that compliance levels remain satisfactory, the  
35 motor carrier shall agree to accept random, unannounced  
36 inspections by the department.

37 (5) Notwithstanding paragraphs (1) to (4), inclusive, a motor  
38 carrier of hazardous materials shall not be granted administrative  
39 review pursuant to this subdivision in lieu of a terminal inspection  
40 pursuant to subdivision (d) at any terminal from which hazardous

materials carrying vehicles identified by paragraph (3) of subdivision (d) are operated.

(k) This section shall be known and may be cited as the Biennial Inspection of Terminals Program or BIT.

(l) The department shall, on or before January 1, 2016, adopt regulations establishing a performance-based truck terminal inspection priority selection system.

(m) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 6. Section 34501.12 is added to the Vehicle Code, to read:

34501.12. (a) Vehicles and the operation thereof, subject to this section, are those described in subdivision (a), (b), (e), (f), (g), (j), or (k) of Section 34500.

(b) It is unlawful for a motor carrier to operate any vehicle of a type described in subdivision (a) without identifying to the department all terminals, as defined in Section 34515, in this state where vehicles may be inspected by the department pursuant to paragraph (4) of subdivision (a) of Section 34501 and where vehicle inspection and maintenance records and driver records will be made available for inspection. Motor carriers shall make vehicles and records available for inspection upon request by an authorized representative of the department. If a motor carrier fails to provide vehicles and records, an unsatisfactory terminal rating shall be issued by the department.

(1) The number of vehicles that will be selected for inspection by the department at a terminal shall be based on terminal fleet size and applied separately to a terminal fleet of power units and trailers, according to the following schedule:

Fleet Size	Representative
	Sample
1 or 2	All
3 to 8	3
9 to 15	4
16 to 25	6
26 to 50	9
51 to 90	14
91 or more	20

(2) The lessor of any vehicle described in subdivision (a) shall make vehicles available for inspection upon request of an authorized representative of the department in the course of inspecting the terminal of the lessee. This section does not affect whether the lessor or driver provided by the lessor is an employee of the authorized carrier lessee, and compliance with this section and its attendant administrative requirements does not imply an employee-employer relationship.

(c) (1) The department may inspect any terminal, as defined in Section 34515, of a motor carrier who, at any time, operates any vehicle described in subdivision (a).

(2) The department shall adopt rules and regulations establishing a performance-based truck terminal inspection selection priority system. In adopting the *system's* rules and regulations, the ~~commissioner~~ *department* shall ~~consider~~ *incorporate* methodologies consistent with those used by the Federal Motor Carrier Safety Administration, including those related to the quantitative analysis of safety-related motor carrier performance data, collected during the course of inspection or enforcement contact by authorized representatives of the department or any authorized federal, state, or local safety official, in ~~the~~ *categories of, including, but not limited to,* driver fatigue, driver fitness, vehicle maintenance, and controlled substances and alcohol use. The department shall also incorporate other safety-related *motor carrier performance* data in this system, including citations and accident information. *The department shall create a database to include all performance-based data specified in this section that shall be updated in a manner to provide real-time information to the department on motor carrier performance.* The department shall prioritize for selection those motor carrier terminals never previously inspected by the department, those identified by the inspection priority selection system, and those terminals operating vehicles listed in subdivision (g) of Section 34500. ~~Those terminals not identified as a priority are not required to be inspected more often than one time every six years since last assigned a safety compliance rating of satisfactory. The department is not required to inspect a terminal subject to inspection pursuant to this section more often than once every six years, if a terminal receives a satisfactory compliance rating as the result of a terminal inspection conducted by the department pursuant to this section or Section~~



1 34501, or if the department has not received notification by the  
2 system of a motor carrier operating while exceeding the threshold  
3 of the inspection selection priority system. Any motor carrier that  
4 is inspected and receives less than a satisfactory compliance rating,  
5 or that falls below the threshold of the selection priority system,  
6 shall be subject to periodic inquiries and inspections as outlined  
7 in subdivision (f), and these inquiries and inspections shall be  
8 based on the severity of the violations.

9 (3) As used in this section and Section 34505.6, subdivision (f)  
10 of Section 34500 includes only those combinations where the gross  
11 vehicle weight rating ~~(GVWR)~~ of the towing vehicle exceeds  
12 10,000 pounds, but does not include a pickup truck or any  
13 combination never operated in commercial use, and subdivision  
14 (g) of Section 34500 includes only those vehicles transporting  
15 hazardous material for which the display of placards is required  
16 pursuant to Section 27903, a license is required pursuant to Section  
17 32000.5, or for which hazardous waste transporter registration is  
18 required pursuant to Section 25163 of the Health and Safety Code.  
19 Notwithstanding Section 5014.1, vehicles that display special  
20 identification plates in accordance with Section 5011, historical  
21 vehicles, as described in Section 5004, implements of husbandry  
22 and farm vehicles, as defined in Chapter 1 (commencing with  
23 Section 36000) of Division 16, and vehicles owned or operated  
24 by an agency of the federal government are not subject to this  
25 section or Section 34505.6.

26 (d) It is unlawful for a motor carrier to operate, or cause to be  
27 operated, any vehicle which is subject to this section, Section  
28 34520, or Division 14.85 (commencing with Section ~~33000~~)  
29 34600), unless the motor carrier is knowledgeable of, and in  
30 compliance with, all applicable statutes and regulations.

31 (e) It is unlawful for a motor carrier to contract or subcontract  
32 with, or otherwise engage the services of, another motor carrier,  
33 subject to this section, unless the contracted motor carrier has  
34 complied with subdivision (d). A motor carrier shall not contract  
35 or subcontract with, or otherwise engage the services of, another  
36 motor carrier until the contracted motor carrier provides  
37 certification of compliance with subdivision (d). This certification  
38 shall be completed in writing by the contracted motor carrier in a  
39 manner prescribed by the department. The certification, or a copy  
40 of the certification, shall be maintained by each involved party for

1 the duration of the contract or the period of service plus two years,  
2 and shall be presented for inspection immediately upon the request  
3 of an authorized employee of the department. The certifications  
4 required by this subdivision and subdivision (b) of 34620 may be  
5 combined.

6 (f) (1) An inspected terminal that receives an unsatisfactory  
7 compliance rating shall be reinspected by the department within  
8 120 days after the issuance of the unsatisfactory compliance rating.

9 (2) When a motor carrier's Motor Carrier of Property Permit or  
10 Public Utilities Commission operating authority is suspended as  
11 a result of an unsatisfactory compliance rating, the department  
12 shall not conduct a reinspection for permit or authority  
13 reinstatement until requested to do so by the Department of Motor  
14 Vehicles or the Public Utilities Commission, as appropriate.

15 (g) A motor carrier issued an unsatisfactory terminal rating may  
16 request a review of the rating within five business days of receipt  
17 of the notification of the rating. The department shall conduct and  
18 evaluate the review within 10 business days of the request.

19 (h) The department shall publish performance-based inspection  
20 completion data and make the data available for public review.

21 (i) This section shall be known, and may be cited, as the Basic  
22 Inspection of Terminals program or BIT program.

23 (j) This section shall become operative on January 1, 2016.

24 SEC. 7. Section 34505.5 of the Vehicle Code is amended to  
25 read:

26 34505.5. (a) Every motor carrier operating any vehicle  
27 described in subdivision (a), (b), (e), (f), or (g) of Section 34500,  
28 except those vehicles exempted under Section 34501.12, shall, as  
29 a part of the systematic inspection, maintenance, and lubrication  
30 services required of all motor carriers, require the vehicle or  
31 vehicles for which it is responsible pursuant to Section 34501.12  
32 to be inspected at least every 90 days, or more often if necessary  
33 to ensure safe operation. Vehicles which are out of service for  
34 periods greater than 90 calendar days are not required to be  
35 inspected at 90-day intervals if they are inspected before operation  
36 on the highway. This inspection shall include, but not be limited  
37 to, all of the following:

38 (1) Brake adjustment.

39 (2) Brake system components and leaks.

40 (3) Steering and suspension systems.

1 (4) Tires and wheels.

2 (5) Vehicle connecting devices.

3 (b) No vehicle subject to this section shall be operated on the  
4 highway other than to a place of repair until all defects listed during  
5 the inspection conducted pursuant to subdivision (a) have been  
6 corrected and attested to by the signature of the motor carrier's  
7 authorized representative.

8 (c) Records of inspections conducted pursuant to subdivision  
9 (a) shall be kept at the motor carrier's terminals, as designated in  
10 accordance with Section 34501.12. The records shall be retained  
11 by the motor carrier for two years, and shall be made available for  
12 inspection upon request by any authorized employee of the  
13 department. Each record shall include, but not be limited to, all of  
14 the following:

15 (1) Identification of the vehicle, including make, model, license  
16 number, company vehicle number, or other means of positive  
17 identification.

18 (2) Date and nature of each inspection and any repair performed.

19 (3) Signature of the motor carrier's authorized representative  
20 attesting to the inspection and to the completion of all required  
21 repairs.

22 (d) Printouts of inspection and maintenance records maintained  
23 in computer systems shall be accepted in lieu of signed inspection  
24 or repair records if the printouts include the information required  
25 in paragraphs (1) and (2) of subdivision (c).

26 (e) Notwithstanding subdivisions (a) to (d), inclusive, records  
27 of 90-day inspections need not be retained in California for  
28 interstate vehicles which are not physically based in California.  
29 However, when these vehicles are present in California, they are  
30 subject to inspection by the department. If the inspection results  
31 indicate maintenance program deficiencies, the department may  
32 require the motor carrier to produce the maintenance records or  
33 copies of those records for inspection within 10 working days.

34 (f) This section shall remain in effect only until January 1, 2016,  
35 and as of that date is repealed, unless a later enacted statute, that  
36 is enacted before January 1, 2016, deletes or extends that date.

37 SEC. 8. Section 34505.5 is added to the Vehicle Code, to read:

38 34505.5. (a) Every motor carrier operating any vehicle  
39 described in subdivision (a), (b), (e), (f), (g), (j), or (k) of Section  
40 34500, except those vehicles exempted under Section 34501.12,

1 shall, as a part of the systematic inspection, maintenance, and  
2 lubrication services required of all motor carriers, require the  
3 vehicle or vehicles for which it is responsible pursuant to Section  
4 34501.12 to be inspected at least every 90 days, or more often if  
5 necessary to ensure safe operation. Vehicles which are out of  
6 service for periods greater than 90 calendar days are not required  
7 to be inspected at 90-day intervals if they are inspected before  
8 operation on the highway. This inspection shall include, but not  
9 be limited to, all of the following:

- 10 (1) Brake adjustment.
- 11 (2) Brake system components and leaks.
- 12 (3) Steering and suspension systems.
- 13 (4) Tires and wheels.
- 14 (5) Vehicle connecting devices.

15 (b) No vehicle subject to this section shall be operated on the  
16 highway other than to a place of repair until all defects listed during  
17 the inspection conducted pursuant to subdivision (a) have been  
18 corrected and attested to by the signature of the motor carrier's  
19 authorized representative.

20 (c) Records of inspections conducted pursuant to subdivision  
21 (a) shall be kept at the motor carrier's terminals, as designated in  
22 accordance with Section 34501.12. The records shall be retained  
23 by the motor carrier for two years, and shall be made available for  
24 inspection upon request by any authorized employee of the  
25 department. Each record shall include, but not be limited to, all of  
26 the following:

27 (1) Identification of the vehicle, including make, model, license  
28 number, company vehicle number, or other means of positive  
29 identification.

30 (2) Date and nature of each inspection and any repair performed.

31 (3) Signature of the motor carrier's authorized representative  
32 attesting to the inspection and to the completion of all required  
33 repairs.

34 (d) Printouts of inspection and maintenance records maintained  
35 in computer systems shall be accepted in lieu of signed inspection  
36 or repair records if the printouts include the information required  
37 in paragraphs (1) and (2) of subdivision (c).

38 (e) Notwithstanding subdivisions (a) to (d), inclusive, records  
39 of 90-day inspections need not be retained in California for  
40 interstate vehicles which are not physically based in California.

1 However, when these vehicles are present in California, they are  
2 subject to inspection by the department. If the inspection results  
3 indicate maintenance program deficiencies, the department may  
4 require the motor carrier to produce the maintenance records or  
5 copies of those records for inspection within 10 working days.

6 (f) This section shall become operative on January 1, 2016.

7 SEC. 9. Section 34505.6 of the Vehicle Code is amended to  
8 read:

9 34505.6. (a) Upon determining that a motor carrier of property  
10 who is operating any vehicle described in subdivision (a), (b), (e),  
11 (f), (g), or (k) of Section 34500, or any motortruck of two or more  
12 axles that is more than 10,000 pounds gross vehicle weight rating,  
13 on a public highway, has done any of the following, the department  
14 shall recommend that the Department of Motor Vehicles suspend  
15 or revoke the carrier's motor carrier permit, or for interstate  
16 operators, the department shall recommend to the Federal Motor  
17 Carrier Safety Administration that appropriate administrative action  
18 be taken against the carrier:

19 (1) Failed to maintain any vehicle of a type described above in  
20 a safe operating condition or to comply with the Vehicle Code or  
21 with applicable regulations contained in Title 13 of the California  
22 Code of Regulations, and, in the department's opinion, that failure  
23 presents an imminent danger to public safety or constitutes a  
24 consistent failure so as to justify a suspension or revocation of the  
25 motor carrier's motor carrier permit.

26 (2) Failed to enroll all drivers in the pull-notice system as  
27 required by Section 1808.1.

28 (3) Failed to submit any application or pay any fee required by  
29 subdivision (e) or (h) of Section 34501.12 within the timeframes  
30 set forth in that section.

31 (b) Upon determining that a household goods carrier, or a  
32 household goods carrier transporting used office, store, or  
33 institution furniture and fixtures under its household goods carrier  
34 permit issued under Section 5137 of the Public Utilities Code,  
35 operating any vehicle described in subdivision (a), (b), (e), (f), (g),  
36 or (k) of Section 34500 on a public highway has done any of the  
37 following, the department shall recommend that the Public Utilities  
38 Commission deny, suspend, or revoke the carrier's operating  
39 authority, or for interstate operators, the department shall

1 recommend to the Federal Motor Carrier Safety Administration  
2 that appropriate administrative action be taken against the carrier:

3 (1) Failed to maintain any vehicle used in transportation for  
4 compensation in a safe operating condition or to comply with the  
5 Vehicle Code or with applicable regulations contained in Title 13  
6 of the California Code of Regulations, and, in the department's  
7 opinion, that failure presents an imminent danger to public safety  
8 or constitutes a consistent failure so as to justify a suspension,  
9 revocation, or denial of the motor carrier's operating authority.

10 (2) Failed to enroll all drivers in the pull-notice system as  
11 required by Section 1808.1.

12 (3) Failed to submit any application or pay any fee required by  
13 subdivision (e) or (h) of Section 34501.12 within the timeframes  
14 set forth in that section.

15 (c) For purposes of this section, two consecutive unsatisfactory  
16 compliance ratings for an inspected terminal assigned because the  
17 motor carrier failed to comply with the periodic report requirements  
18 of Section 1808.1 or the cancellation of the carrier's enrollment  
19 by the Department of Motor Vehicles for the nonpayment of  
20 required fees is a consistent failure. The department shall retain a  
21 record, by operator, of every recommendation made pursuant to  
22 this section.

23 (d) Before transmitting a recommendation pursuant to  
24 subdivision (a), the department shall notify the carrier in writing  
25 of all of the following:

26 (1) That the department has determined that the carrier's safety  
27 record or compliance with Section 1808.1 or subdivision (e) or (h)  
28 of Section 34501.12 is unsatisfactory, furnishing a copy of any  
29 documentation or summary of any other evidence supporting the  
30 determination.

31 (2) That the determination may result in a suspension,  
32 revocation, or denial of the carrier's motor carrier permit by the  
33 Department of Motor Vehicles, suspension, revocation, of the  
34 motor carrier's operating authority by the California Public Utilities  
35 Commission, or administrative action by the Federal Motor Carrier  
36 Safety Administration.

37 (3) That the carrier may request a review of the determination  
38 by the department within five days of its receipt of the notice  
39 required under this subdivision. If a review pursuant to this  
40 paragraph is requested by the carrier, the department shall conduct

1 and evaluate that review prior to transmitting any notification  
2 pursuant to subdivision (a) or (b).

3 (e) Upon receipt of a written recommendation from the  
4 department that a motor carrier permit or operating authority be  
5 suspended, revoked, or denied, the Department of Motor Vehicles  
6 or Public Utilities Commission, as appropriate, shall, pending a  
7 hearing in the matter pursuant to Section 34623 or appropriate  
8 Public Utilities Commission authority, suspend the motor carrier  
9 permit or operating authority. The written recommendation shall  
10 specifically indicate compliance with subdivision (d).

11 (f) This section shall remain in effect only until January 1, 2016,  
12 and as of that date is repealed, unless a later enacted statute, that  
13 is enacted before January 1, 2016, deletes or extends that date.

14 SEC. 10. Section 34505.6 is added to the Vehicle Code, to  
15 read:

16 34505.6. (a) Upon determining that a motor carrier of property  
17 who is operating any vehicle described in subdivision (a), (b), (e),  
18 (f), (g), (j), or (k) of Section 34500, or any motortruck of two or  
19 more axles that is more than 10,000 pounds gross vehicle weight  
20 rating, on a public highway, has done either of the following, the  
21 department shall recommend that the Department of Motor  
22 Vehicles suspend or revoke the carrier's motor carrier permit, or,  
23 for interstate operators, the department shall recommend to the  
24 Federal Motor Carrier Safety Administration that appropriate  
25 administrative action be taken against the carrier:

26 (1) Failed to maintain any vehicle of a type described above in  
27 a safe operating condition or to comply with the Vehicle Code or  
28 with applicable regulations contained in Title 13 of the California  
29 Code of Regulations, and, in the department's opinion, that failure  
30 presents an imminent danger to public safety or constitutes a  
31 consistent failure so as to justify a suspension or revocation of the  
32 motor carrier's motor carrier permit.

33 (2) Failed to enroll all drivers in the pull-notice system as  
34 required by Section 1808.1.

35 (b) Upon determining that a household goods carrier, or a  
36 household goods carrier transporting used office, store, or  
37 institution furniture and fixtures under its household goods carrier  
38 permit issued under Section 5137 of the Public Utilities Code,  
39 operating any vehicle described in subdivision (a), (b), (e), (f), (g),  
40 (j), or (k) of Section 34500 on a public highway, has done either

1 of the following, the department shall recommend that the Public  
2 Utilities Commission deny, suspend, or revoke the carrier's  
3 operating authority, or, for interstate operators, the department  
4 shall recommend to the Federal Motor Carrier Safety  
5 Administration that appropriate administrative action be taken  
6 against the carrier:

7 (1) Failed to maintain any vehicle used in transportation for  
8 compensation in a safe operating condition or to comply with the  
9 Vehicle Code or with applicable regulations contained in Title 13  
10 of the California Code of Regulations, and, in the department's  
11 opinion, that failure presents an imminent danger to public safety  
12 or constitutes a consistent failure so as to justify a suspension,  
13 revocation, or denial of the motor carrier's operating authority.

14 (2) Failed to enroll all drivers in the pull-notice system as  
15 required by Section 1808.1.

16 (c) For purposes of this section, two consecutive unsatisfactory  
17 compliance ratings for an inspected terminal assigned because the  
18 motor carrier failed to comply with the periodic report requirements  
19 of Section 1808.1 or the cancellation of the carrier's enrollment  
20 by the Department of Motor Vehicles for the nonpayment of  
21 required fees is a consistent failure. The department shall retain a  
22 record, by operator, of every recommendation made pursuant to  
23 this section.

24 (d) Before transmitting a recommendation pursuant to  
25 subdivision (a), the department shall notify the carrier in writing  
26 of all of the following:

27 (1) That the department has determined that the carrier's safety  
28 record or compliance with Section 1808.1 is unsatisfactory,  
29 furnishing a copy of any documentation or summary of any other  
30 evidence supporting the determination.

31 (2) That the determination may result in a suspension,  
32 revocation, or denial of the carrier's motor carrier permit by the  
33 Department of Motor Vehicles, suspension, revocation, of the  
34 motor carrier's operating authority by the California Public Utilities  
35 Commission, or administrative action by the Federal Motor Carrier  
36 Safety Administration.

37 (3) That the carrier may request a review of the determination  
38 by the department within five days of its receipt of the notice  
39 required under this subdivision. If a review pursuant to this  
40 paragraph is requested by the carrier, the department shall conduct



1 and evaluate that review prior to transmitting any notification  
2 pursuant to subdivision (a) or (b).

3 (e) Upon receipt of a written recommendation from the  
4 department that a motor carrier permit or operating authority be  
5 suspended, revoked, or denied, the Department of Motor Vehicles  
6 or Public Utilities Commission, as appropriate, shall, pending a  
7 hearing in the matter pursuant to Section 34623 or appropriate  
8 Public Utilities Commission authority, suspend the motor carrier  
9 permit or operating authority. The written recommendation shall  
10 specifically indicate compliance with subdivision (d).

11 (f) This section shall become operative on January 1, 2016.

12 SEC. 11. Section 34515 of the Vehicle Code is amended to  
13 read:

14 34515. (a) As used in this division and in regulations adopted  
15 pursuant to this division, “maintenance facility or terminal” means  
16 any place or places where a vehicle of a type listed in Section  
17 34500 is regularly garaged or maintained, or from which it is  
18 operated or dispatched. “Maintenance facility or terminal” may  
19 include a private business or residence.

20 (b) For the purpose of the inspections required by Section  
21 34501.12, “terminal” means the location or locations in this state  
22 that are designated by a motor carrier, where subject vehicles may  
23 be inspected by the department pursuant to paragraph (4) of  
24 subdivision (a) of Section 34501, and where vehicle maintenance  
25 and inspection records and drivers’ records will be made available  
26 for inspection.

27 (c) This section shall remain in effect only until January 1, 2016,  
28 and as of that date is repealed, unless a later enacted statute, that  
29 is enacted before January 1, 2016, deletes or extends that date.

30 SEC. 12. Section 34515 is added to the Vehicle Code, to read:

31 34515. (a) As used in this division and in regulations adopted  
32 pursuant to this division, “maintenance facility or terminal” means  
33 any place or places where a vehicle of a type listed in Section  
34 34500 is regularly garaged or maintained, or from which it is  
35 operated or dispatched. “Maintenance facility or terminal” includes  
36 a private business or residence.

37 (b) For the purpose of the inspections conducted pursuant to  
38 Section 34501.12, “terminal” means the location or locations in  
39 this state that are designated by a motor carrier, where subject  
40 vehicles may be inspected by the department and where vehicle

1 maintenance and inspection records and drivers' records will be  
2 made available for inspection.

3 (c) This section shall become operative on January 1, 2016.

4 SEC. 13. Section 34601 of the Vehicle Code is amended to  
5 read:

6 34601. (a) As used in this division, "motor carrier of property"  
7 means any person who operates any commercial motor vehicle as  
8 defined in subdivision (c). "Motor carrier of property" does not  
9 include a household goods carrier, as defined in Section 5109 of  
10 the Public Utilities Code, a household goods carrier transporting  
11 used office, store, and institution furniture and fixtures under its  
12 household goods carrier permit pursuant to Section 5137 of the  
13 Public Utilities Code, persons providing only transportation of  
14 passengers, or a passenger stage corporation transporting baggage  
15 and express upon a passenger vehicle incidental to the  
16 transportation of passengers.

17 (b) As used in this division, "for-hire motor carrier of property"  
18 means a motor carrier of property as defined in subdivision (a)  
19 who transports property for compensation.

20 (c) (1) As used in this division, except as provided in paragraph  
21 (2), a "commercial motor vehicle" means any self-propelled vehicle  
22 listed in subdivisions (a), (b), (f), (g), and (k) of Section 34500,  
23 any motor truck of two or more axles that is more than 10,000  
24 pounds gross vehicle weight rating, and any other motor vehicle  
25 used to transport property for compensation.

26 (2) As used in this division, "commercial motor vehicle" does  
27 not include any of the following:

28 (A) Vehicles identified in subdivision (f) of Section 34500, if  
29 the gross vehicle weight rating of the towing vehicle is 10,000  
30 pounds or less.

31 (B) Vehicles identified in subdivision (g) of Section 34500, if  
32 the hazardous material transportation does not require the display  
33 of placards under Section 27903, a license under Section 32000.5,  
34 or a hazardous waste transporter registration under Section 25163  
35 of the Health and Safety Code, and the vehicle is not operated in  
36 commercial use.

37 (C) Vehicles operated by a household goods carrier, as defined  
38 in Section 5109 of the Public Utilities Code, under the household  
39 goods carrier permit pursuant to Section 5137 of that code.

1 (D) Vehicles operated by a household goods carrier to transport  
2 used office, store, and institution furniture and fixtures under its  
3 household goods carrier permit pursuant to Section 5137 of the  
4 Public Utilities Code.

5 (E) Pickup trucks as defined in Section 471, if the conditions  
6 in subparagraphs (A) and (B) are also met.

7 (F) Two-axle daily rental trucks with a gross vehicle weight  
8 rating of less than 26,001 pounds, when operated in noncommercial  
9 use.

10 (G) Motor trucks or two-axle truck tractors, with a gross vehicle  
11 weight rating of less than 26,001 pounds, when used solely to tow  
12 a camp trailer, trailer coach, fifth-wheel travel trailer, or utility  
13 trailer. Vehicle combinations described in this subparagraph are  
14 not subject to Section 27900, 34501.12, or 34507.5.

15 (d) For purposes of this chapter, “private carrier” means a motor  
16 carrier of property, who transports only his or her own property,  
17 including, but not limited to, the delivery of goods sold by that  
18 carrier.

19 (e) This section shall remain in effect only until January 1, 2016,  
20 and as of that date is repealed, unless a later enacted statute, that  
21 is enacted before January 1, 2016, deletes or extends that date.

22 SEC. 14. Section 34601 is added to the Vehicle Code, to read:

23 34601. (a) As used in this division, “motor carrier of property”  
24 means any person who operates any commercial motor vehicle as  
25 defined in subdivision (c). “Motor carrier of property” does not  
26 include a household goods carrier, as defined in Section 5109 of  
27 the Public Utilities Code, a household goods carrier transporting  
28 used office, store, and institution furniture and fixtures under its  
29 household goods carrier permit pursuant to Section 5137 of the  
30 Public Utilities Code, persons providing only transportation of  
31 passengers, or a passenger stage corporation transporting baggage  
32 and express upon a passenger vehicle incidental to the  
33 transportation of passengers.

34 (b) As used in this division, “for-hire motor carrier of property”  
35 means a motor carrier of property as defined in subdivision (a)  
36 who transports property for compensation.

37 (c) (1) As used in this division, except as provided in paragraph  
38 (2), a “commercial motor vehicle” means any self-propelled vehicle  
39 listed in subdivisions (a), (b), (f), (g), and (k) of Section 34500,  
40 any motortruck of two or more axles that is more than 10,000

1 pounds gross vehicle weight rating, and any other motor vehicle  
2 used to transport property for compensation.

3 (2) As used in this division, “commercial motor vehicle” does  
4 not include any of the following:

5 (A) Vehicles identified in subdivision (f) of Section 34500, if  
6 the gross vehicle weight rating of the towing vehicle is 10,000  
7 pounds or less.

8 (B) Vehicles identified in subdivision (g) of Section 34500, if  
9 the hazardous material transportation does not require the display  
10 of placards under Section 27903, a license under Section 32000.5,  
11 or a hazardous waste transporter registration under Section 25163  
12 of the Health and Safety Code, and the vehicle is not operated in  
13 commercial use.

14 (C) Vehicles operated by a household goods carrier, as defined  
15 in Section 5109 of the Public Utilities Code, under the household  
16 goods carrier permit pursuant to Section 5137 of that code.

17 (D) Vehicles operated by a household goods carrier to transport  
18 used office, store, and institution furniture and fixtures under its  
19 household goods carrier permit pursuant to Section 5137 of the  
20 Public Utilities Code.

21 (E) Pickup trucks as defined in Section 471, if the conditions  
22 in subparagraphs (A) and (B) are also met.

23 (F) Two-axle daily rental trucks with a gross vehicle weight  
24 rating of less than 26,001 pounds, when not operated in  
25 noncommercial use.

26 (G) Vehicles never operated in commercial use, including  
27 motortrucks or two-axle truck tractors, with a gross vehicle weight  
28 rating of less than 26,001 pounds, when operated singly, or, when  
29 used to tow a camp trailer, trailer coach, fifth-wheel travel trailer,  
30 trailer designed to transport watercraft, or a utility trailer, never  
31 operated in commercial use. Vehicle combinations described in  
32 this subparagraph are not subject to Section 27900, 34501.12, or  
33 34507.5.

34 (d) For purposes of this chapter, “private carrier” means a motor  
35 carrier of property, who transports only his or her own property,  
36 including, but not limited to, the delivery of goods sold by that  
37 carrier.

38 (e) This section shall become operative on January 1, 2016.

39 SEC. 15. Section 34606 of the Vehicle Code is repealed.

1 SEC. 16. Section 34622 of the Vehicle Code is amended to  
2 read:

3 34622. This chapter does not apply to any of the following:

4 (a) Vehicles described in Section 5004 or 5011, and those that  
5 are exempt from vehicle registration fees.

6 (b) A household goods carrier transporting used office, store,  
7 and institution furniture and fixtures under its household goods  
8 carrier permit pursuant to Section 5137 of the Public Utilities Code.

9 SEC. 17. Section 34623 of the Vehicle Code is amended to  
10 read:

11 34623. (a) The Department of the California Highway Patrol  
12 has exclusive jurisdiction for the regulation of safety of operation  
13 of motor carriers of property.

14 (b) The motor carrier permit of a motor carrier of property may  
15 be suspended for failure to do any of the following:

16 (1) Maintain any vehicle of the carrier in a safe operating  
17 condition or to comply with this code or with applicable regulations  
18 contained in Title 13 of the California Code of Regulations, if that  
19 failure is either a consistent failure or presents an imminent danger  
20 to public safety.

21 (2) Enroll all drivers in the pull notice system as required by  
22 Section 1808.1.

23 (3) Submit any application or pay any fee required by  
24 subdivision (e) or (h) of Section 34501.12 within the timeframes  
25 set forth in that section.

26 (c) The motor carrier permit of a motor carrier of property shall  
27 be suspended for failure to either (1) comply with the requirements  
28 of federal law described in subdivision (a) of Section 34520 of the  
29 Vehicle Code, or (2) make copies of results and other records  
30 available as required by subdivision (b) of that section. The  
31 suspension shall be as follows:

32 (1) For a serious violation, which is a willful failure to perform  
33 substance abuse testing in accordance with state or federal law:

34 (A) For a first offense, a mandatory five-day suspension.

35 (B) For a second offense within three years of a first offense, a  
36 mandatory three-month suspension.

37 (C) For a third offense within three years of a first offense, a  
38 mandatory one-year suspension.

39 (2) For a nonserious violation, the time recommended to the  
40 department by the Department of the California Highway Patrol.

1 (3) For the purposes of this subdivision, “willful failure” means  
2 any of the following:

3 (A) An intentional and uncorrected failure to have a controlled  
4 substances and alcohol testing program in place.

5 (B) An intentional and uncorrected failure to enroll an employed  
6 driver into the controlled substances and alcohol testing program.

7 (C) A knowing use of a medically disqualified driver, including  
8 the failure to remove the driver from safety-sensitive duties upon  
9 notification of the medical disqualification.

10 (D) An attempt to conceal legal deficiencies in the motor  
11 carrier’s controlled substances and alcohol testing program.

12 (d) The department, pending a hearing in the matter pursuant  
13 to subdivision (f), may suspend a carrier’s permit.

14 (e) (1) A motor carrier whose motor carrier permit is suspended  
15 pursuant to subdivision (b) may obtain a reinspection of its terminal  
16 and vehicles by the Department of the California Highway Patrol  
17 by submitting a written request for reinstatement to the department  
18 and paying a reinstatement fee as required by Section 34623.5.

19 (2) A motor carrier whose motor carrier permit is suspended  
20 for failure to submit any application or to pay any fee required by  
21 Section 34501.12 shall present proof of having submitted that  
22 application or have paid that fee to the Department of the California  
23 Highway Patrol before applying for reinstatement of its motor  
24 carrier permit.

25 (3) The department shall deposit all reinstatement fees collected  
26 from motor carriers of property pursuant to this section in the fund.  
27 Upon receipt of the fee, the department shall forward a request to  
28 the Department of the California Highway Patrol, which shall  
29 perform a reinspection within a reasonable time, or shall verify  
30 receipt of the application or fee or both the application and fee.  
31 Following the term of a suspension imposed under Section 34670,  
32 the department shall reinstate a carrier’s motor carrier permit  
33 suspended under subdivision (b) upon notification by the  
34 Department of the California Highway Patrol that the carrier’s  
35 safety compliance has improved to the satisfaction of the  
36 Department of the California Highway Patrol, or that the required  
37 application or fees have been received by the Department of the  
38 California Highway Patrol, unless the permit is suspended for  
39 another reason or has been revoked.

1 (f) Whenever the department suspends the permit of any carrier  
2 pursuant to subdivision (b), (c), or paragraph (3) of subdivision  
3 (i), the department shall furnish the carrier with written notice of  
4 the suspension and shall provide for a hearing within a reasonable  
5 time, not to exceed 21 days, after a written request is filed with  
6 the department. At the hearing, the carrier shall show cause why  
7 the suspension should not be continued. Following the hearing,  
8 the department may terminate the suspension, continue the  
9 suspension in effect, or revoke the permit. The department may  
10 revoke the permit of any carrier suspended pursuant to subdivision  
11 (b) at any time that is 90 days or more after its suspension if the  
12 carrier has not filed a written request for a hearing with the  
13 department or has failed to submit a request for reinstatement  
14 pursuant to subdivision (e).

15 (g) Notwithstanding any other provision of this code, no hearing  
16 shall be provided when the suspension of the motor carrier permit  
17 is based solely upon the failure of the motor carrier to maintain  
18 satisfactory proof of financial responsibility as required by this  
19 code, or failure of the motor carrier to submit an application or to  
20 pay fees required by Section 34501.12.

21 (h) A motor carrier of property may not operate a commercial  
22 motor vehicle on any public highway in this state during any period  
23 its motor carrier of property permit is suspended pursuant to this  
24 division.

25 (i) (1) A motor carrier of property whose motor carrier permit  
26 is suspended pursuant to this section or Section 34505.6, which  
27 suspension is based wholly or in part on the failure of the motor  
28 carrier to maintain any vehicle in safe operating condition, may  
29 not lease, or otherwise allow, another motor carrier to operate the  
30 vehicles of the carrier subject to the suspension, during the period  
31 of the suspension.

32 (2) A motor carrier of property may not knowingly lease,  
33 operate, dispatch, or otherwise utilize any vehicle from a motor  
34 carrier of property whose motor carrier permit is suspended, which  
35 suspension is based wholly or in part on the failure of the motor  
36 carrier to maintain any vehicle in safe operating condition.

37 (3) The department may immediately suspend the motor carrier  
38 permit of any motor carrier that the department determines to be  
39 in violation of paragraph (2).

1 (j) This section shall remain in effect only until January 1, 2016,  
2 and as of that date is repealed, unless a later enacted statute, that  
3 is enacted before January 1, 2016, deletes or extends that date.

4 SEC. 18. Section 34623 is added to the Vehicle Code, to read:

5 34623. (a) The Department of the California Highway Patrol  
6 has exclusive jurisdiction for the regulation of safety of operation  
7 of motor carriers of property.

8 (b) The motor carrier permit of a motor carrier of property may  
9 be suspended for failure to do either of the following:

10 (1) Maintain any vehicle of the carrier in a safe operating  
11 condition or to comply with this code or with applicable regulations  
12 contained in Title 13 of the California Code of Regulations, if that  
13 failure is either a consistent failure or presents an imminent danger  
14 to public safety.

15 (2) Enroll all drivers in the pull-notice system as required by  
16 Section 1808.1.

17 (c) The motor carrier permit of a motor carrier of property shall  
18 be suspended for failure to either (1) comply with the requirements  
19 of federal law described in subdivision (a) of Section 34520 of the  
20 Vehicle Code, or (2) make copies of results and other records  
21 available as required by subdivision (b) of that section. The  
22 suspension shall be as follows:

23 (1) For a serious violation, which is a willful failure to perform  
24 substance abuse testing in accordance with state or federal law:

25 (A) For a first offense, a mandatory five-day suspension.

26 (B) For a second offense within three years of a first offense, a  
27 mandatory three-month suspension.

28 (C) For a third offense within three years of a first offense, a  
29 mandatory one-year suspension.

30 (2) For a nonserious violation, the time recommended to the  
31 department by the Department of the California Highway Patrol.

32 (3) For the purposes of this subdivision, “willful failure” means  
33 any of the following:

34 (A) An intentional and uncorrected failure to have a controlled  
35 substances and alcohol testing program in place.

36 (B) An intentional and uncorrected failure to enroll an employed  
37 driver into the controlled substances and alcohol testing program.

38 (C) A knowing use of a medically disqualified driver, including  
39 the failure to remove the driver from safety-sensitive duties upon  
40 notification of the medical disqualification.



1 (D) An attempt to conceal legal deficiencies in the motor  
2 carrier's controlled substances and alcohol testing program.

3 (d) The department, pending a hearing in the matter pursuant  
4 to subdivision (f), may suspend a carrier's permit.

5 (e) (1) A motor carrier whose motor carrier permit is suspended  
6 pursuant to subdivision (b) may obtain a reinspection of its terminal  
7 and vehicles by the Department of the California Highway Patrol  
8 by submitting a written request for reinstatement to the department  
9 and paying a reinstatement fee as required by Section 34623.5.

10 (2) The department shall deposit all reinstatement fees collected  
11 from motor carriers of property pursuant to this section in the fund.  
12 Upon receipt of the fee, the department shall forward a request to  
13 the Department of the California Highway Patrol, which shall  
14 perform a reinspection within a reasonable time, or shall verify  
15 receipt of the application or fee or both the application and fee.  
16 Following the term of a suspension imposed under Section 34670,  
17 the department shall reinstate a carrier's motor carrier permit  
18 suspended under subdivision (b) upon notification by the  
19 Department of the California Highway Patrol that the carrier's  
20 safety compliance has improved to the satisfaction of the  
21 Department of the California Highway Patrol, unless the permit  
22 is suspended for another reason or has been revoked.

23 (f) Whenever the department suspends the permit of any carrier  
24 pursuant to subdivision (b), (c), or paragraph (3) of subdivision  
25 (i), the department shall furnish the carrier with written notice of  
26 the suspension and shall provide for a hearing within a reasonable  
27 time, not to exceed 21 days, after a written request is filed with  
28 the department. At the hearing, the carrier shall show cause why  
29 the suspension should not be continued. Following the hearing,  
30 the department may terminate the suspension, continue the  
31 suspension in effect, or revoke the permit. The department may  
32 revoke the permit of any carrier suspended pursuant to subdivision  
33 (b) at any time that is 90 days or more after its suspension if the  
34 carrier has not filed a written request for a hearing with the  
35 department or has failed to submit a request for reinstatement  
36 pursuant to subdivision (e).

37 (g) Notwithstanding any other provision of this code, a hearing  
38 shall not be provided if the suspension of the motor carrier permit  
39 is based solely upon the failure of the motor carrier to maintain

1 satisfactory proof of financial responsibility as required by this  
2 code.

3 (h) A motor carrier of property may not operate a commercial  
4 motor vehicle on any public highway in this state during any period  
5 its motor carrier of property permit is suspended pursuant to this  
6 division.

7 (i) (1) A motor carrier of property whose motor carrier permit  
8 is suspended pursuant to this section or Section 34505.6, which  
9 suspension is based wholly or in part on the failure of the motor  
10 carrier to maintain any vehicle in safe operating condition, may  
11 not lease, or otherwise allow, another motor carrier to operate the  
12 vehicles of the carrier subject to the suspension, during the period  
13 of the suspension.

14 (2) A motor carrier of property may not knowingly lease,  
15 operate, dispatch, or otherwise utilize any vehicle from a motor  
16 carrier of property whose motor carrier permit is suspended, which  
17 suspension is based wholly or in part on the failure of the motor  
18 carrier to maintain any vehicle in safe operating condition.

19 (3) The department may immediately suspend the motor carrier  
20 permit of any motor carrier that the department determines to be  
21 in violation of paragraph (2).

22 (j) This section shall become operative on January 1, 2016.

23 SEC. 19. Section 40000.22 of the Vehicle Code is amended to  
24 read:

25 40000.22. (a) A violation of subdivision (e) of Section 34501,  
26 subdivision (f) of Section 34501.12, or subdivision (c) of Section  
27 34501.14, relating to applications for inspections, is a misdemeanor  
28 and not an infraction.

29 (b) A violation of Division 14.85 (commencing with Section  
30 34600), relating to motor carriers of property, is a misdemeanor  
31 and not an infraction.

32 (c) This section shall remain in effect only until January 1, 2016,  
33 and as of that date is repealed, unless a later enacted statute, that  
34 is enacted before January 1, 2016, deletes or extends that date.

35 SEC. 20. Section 40000.22 is added to the Vehicle Code, to  
36 read:

37 40000.22. (a) A violation of subdivision (e) of Section 34501,  
38 subdivision (b) or (d) of Section 34501.12, or subdivision (c) of  
39 Section 34501.14, relating to applications for inspections, is a  
40 misdemeanor and not an infraction.

1 (b) A violation of Division 14.85 (commencing with Section  
2 34600), relating to motor carriers of property, is a misdemeanor  
3 and not an infraction.

4 (c) This section shall become operative on January 1, 2016.

5 SEC. 21. No reimbursement is required by this act pursuant to  
6 Section 6 of Article XIII B of the California Constitution because  
7 the only costs that may be incurred by a local agency or school  
8 district will be incurred because this act creates a new crime or  
9 infraction, eliminates a crime or infraction, or changes the penalty  
10 for a crime or infraction, within the meaning of Section 17556 of  
11 the Government Code, or changes the definition of a crime within  
12 the meaning of Section 6 of Article XIII B of the California  
13 Constitution.